

## Practical Tariff Talks

### THE DUTY ON HIDES

Senator Aldrich was of the opinion, when compiling his tariff bill, that the house was in error in placing hides upon the free list. He put them back in the protected collection. Two theories may be advanced. One is that the senator desired to protect the packers, who are the largest tanners in the country. The other is that he put it in to be either traded out or in. The Dingley bill placed a 15 per cent duty upon hides. The result of this was to increase the first cost of leather by just that amount. This increase, when passed along until it reached the consumer, had grown to about 50 cents on each pair of \$3.50 shoes.

The packers, by reason of their beef slaughtering, control the production of the raw material in this country. When the Dingley law was passed the big tanners were their patrons and their competition made prices fairly remunerative. It soon dawned upon them that if they did the tanning themselves they might keep two profits. Within the last seven years they have built thirty tanneries, they fix absolutely the price of hides and being in the tanning business they also dominate the leather market.

There is one large source of supply outside of the packers. This is in Argentina. But to land the hides inside our ports the producer must either pay the 15 per cent duty or pass it on to the manufacturer. Usually the ultimate consumer pays the duty, but sometimes the market has been so manipulated that the Argentine hides are diverted to other ports, and in fact many of them do go elsewhere to be made up by foreign workers. The result of this diversion of the hide supply is that tanneries and shoe manufactories are closed three or four months a year and their employes, whom protection is supposed to primarily benefit, are thrown out of work for that period. A. H. Lockwood, editor of *Hide and Leather*, asserts that if the tariff on the raw material were removed, these factories could be kept running all the year, the number of employes substantially increased and the export of shoes, now only \$11,000,000 a year, could be increased so as to give the shoe manufacturer the control of the world's market.

That the intent of the hide tariff is to benefit the packers is made plain by another fact. While hides, the raw material, are kept at the same tariff, the Payne bill and the Aldrich substitute both reduce the duty on shoes 40 per cent and on sole leather 75 per cent. None of the leather schedules in the Dingley tariff law is retained, except that upon hides. As sole leather includes leather for harness, belting and the like, at first glance this would seem to be a strong concession to the consumer, but there is the usual joker. Keeping his raw material at the same old price by preventing the free competition of Argentine hides, while lowering the duties on what he makes, puts the manufacturer more completely in the hands of the leather producer, the packers. This is equivalent to government holding his hands while it invites the packer to use the club with which it has provided the latter. Is this the kind of revision Mr. Taft meant by "genuine," or does he include it among the "unequivocal" brand?  
—C. Q. D.

### THE TARIFF IN THE SENATE

A Washington dispatch to the *New York World* describing the proceedings in the senate May 24 says:

An amendment proposed by Senator McCumber, a member of the finance committee, placing all dressed lumber on the free list and imposing a duty of only 50 cents a thousand feet on rough lumber, was rejected by the crushing vote of 56 to 25. It astonished even Aldrich, while the progressives were too dazed for further fighting for the day.

Ten democrats and fifteen republicans voted for free lumber, and thirty-nine republicans and seventeen democrats against it.

The fifteen republicans voting for free lumber were Beveridge, Bristow, Brown, Burkett, Burton, Clapp, Crawford, Cummins, Curtis, DuPont, Gamble, Johnson, LaFollette, McCumber and Nelson. The ten democrats were Clay, Culbertson, Frazier, Gore, Hughes, Newlands, Paynter, Rayner, Shively and Stone.

The seventeen democrats who voted with the republicans for protection on lumber were Bacon, Bailey, Bankhead, Chamberlain, Daniel, Fletcher, Foster, Johnston, McEnery, Martin,

Money, Overman, Simmons, Smith of Maryland, Talliaferro, Taylor and Tillman.

Senator Dixon read the tariff plank of the democratic platform, whereupon Mr. Bailey said that he refused to be bound by a declaration that was not sound democratic doctrine. It was the duty of a national convention, he said, to enunciate principles and nominate candidates. It was not its province to legislate. That work should be left to democratic senators and representatives. They should determine the details. It must be so in his case, he said, or the people of Texas could elect another senator.

Continuing, Mr. Bailey said he had been in public life eighteen years and he did not believe the great metropolitan newspapers had told the truth about him eighteen times.

"When did the doctrine of free raw material cease to be sound democratic faith?" asked Mr. Aldrich.

"When men like myself came into power and controlled the party," replied Mr. Bailey.

Mr. Bailey said he drew the platform of 1896, and the doctrine of free raw materials was then abandoned.

"Grover Cleveland was still living at that time," said Mr. Aldrich.

Mr. Bailey retorted that Mr. Cleveland undid the democratic party. But he would not criticize him now, as he had accounted elsewhere for the sins committed in the body.

Mr. Aldrich remarked that Bryan came to congress as an advocate of free raw material.

Mr. Bailey reluctantly admitted that the democratic party at that time favored free raw material, but it was a matter of expediency and not of principle. The south had yielded its judgment as a matter of necessity. It was a solecism in politics. It was as indefensible then as it is now.

Senator Shively of Indiana, addressed the senate and sought to show that under the proposed tariff bill the prevailing rates would be those imposed by the maximum schedules.

Senator Beveridge quoted from President Taft's speeches to show Mr. Taft is for substantial revision downward.

Senator LaFollette introduced a resolution calling on the state department for a document of the German government as to wages paid in that country.

In the senate May 26, Senator McEnery of Louisiana (dem.) dealt with the attitude of southern democrats and southern states toward protection. He said:

"That there is a change of sentiment going on in the south in relation to protection was shown recently and I hope senators from the south who have supported protection on every industry in the state may extend the vision of their horizon and accord protection to the great national interests."

Mr. McEnery spoke specially of the need of a protective tariff on lumber, which industry he said employed 35,000 men, producing lumber worth \$44,000,000 annually.

If the sugar trust, he said, had violated the law, the guilty men should be put in the penitentiary. "But why crucify the people to bring down vengeance on the sugar trust?" he asked.

"What we need," said Mr. McEnery, "is some settled policy in regard to this industry. Capital is easily frightened and every time there is a revenue bill coupled with a demand for free sugar conditions are unsettled."

In the senate May 27, Senator Bailey of Texas read an article printed in the *New York Times* which article charged that Bailey had introduced his income tax amendment solely for the purpose of defeating an inheritance tax and assisting Senator Aldrich. Senator Bailey called the writer "an infamous liar" and made a speech in explanation of his advocacy of an income tax.

Later in the senate press gallery Senator Bailey and W. S. Manning, Washington correspondent for the *New York Times*, exchanged blows. They were separated by other senators and newspaper men.

By a vote of fifty to thirty-three the senate decided to postpone consideration of the income tax until June 10. The Associated Press report says: "Republicans voting against postponement were Senators Borah, Bristow, Clapp, Cummins, Dolliver and LaFollette. Senator McEnery was the only democrat who voted with the republicans for postponement."

On May 28, Senator Bristow of Kansas led the fight on the sugar tariff, and created something of a sensation, by making this statement:

"I desire to make the statement that yesterday afternoon, immediately following the vote in this body by which the standard of sugar testing was retained, stock in the American Sugar Refining company went up five points on the market. I call attention to this incident be-

cause it is illuminating as to the question of who is interested in and would be affected by the dropping of the Dutch standard."

The Associated Press report of the day's proceedings says:

Senator Bristow then sent to the desk an article which he asked to have read concerning the capitalization of the American Sugar Refining company, the trust. It set forth the facts as to the present capital and traced it from a modest beginning. The senator next sent up an article from the *Wall Street Journal* and had it read. The article set forth that the recent custom house frauds in sugar in New York present a situation in which it is absolutely necessary that determination be reached as to the identity and responsibility of the men higher up. It was set forth that there are still in the directorate of the American Sugar Refining company five men who were directors during all or part of the time when these custom house frauds were in progress.

It declared that it is inconceivable that this elaborate scheme to defraud the government for the benefit of the trust was organized and skillfully carried out for many years, by mere underlings who could not have received even the poor pittance which was given them for their part in the fraud without the knowledge and approval of somebody higher up. It urged that if these five directors are innocent of all knowledge and responsibility they should be the first men to come forward and insist on a hearing and vindication; and if they do not do this, then proceedings should be taken by the government to determine the real responsibility and to punish the ultimate wrongdoers no matter how high up.

### CAN IT BE TRUSTED?

The democratic national platform last year contained these sentences:

"We welcome the belated promise of tariff reform now affected by the republican party, \* \* \* but the people can not safely trust the execution of this important work to a party which is so deeply obligated to the highly protected interests. \* \* \* We favor immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list. \* \* \* We demand the immediate repeal of the tariff on pulp, print paper, lumber, timber and logs."

In the house of representatives a month ago forty democrats voted against free lumber. In the senate this week seventeen democrats did the same. Thus a specific demand of the democratic platform was defeated by democratic votes. Democratic votes also defeated free hides and free iron. For the first time in fifty years democrats this spring have had an opportunity, with the aid of progressive republicans, to give effect to their pretense of principle. This shameful record shows how basely they have acquitted themselves.

In their platform the democrats say that republicans can not be trusted; who now will trust the democrats? They say they favor immediate reduction of taxation; within the last sixty days 102 of the 171 democrats in the house have voted repeatedly against reducing taxes and seventeen of thirty-two democrats in the senate have done likewise. They say they favor the free list for articles entering into competition with trust-controlled products; lumber, hides and iron are all controlled by trusts. They specifically demand the immediate repeal of the tariff on lumber and they make haste only to fasten that odious steal upon the country for another decade.

These are political sins for which punishment is certain. They affront decency and good faith. They reveal a degradation in our political life which almost passes belief. They put the democratic party on trial not for its principles but for its honesty. Errors of judgment may be defended and excused, but perfidy finds no apologist anywhere. A political party that is false to itself is false also to the people, and the judgments which they inflict are final.—*New York World*.

### SENATOR SHIVELY'S MAIDEN SPEECH

Senator Shively, of Indiana, delivered his maiden speech the other day and he made good use of his time. He argued that under the maximum and minimum provision of that bill the real tariff is likely to be 25 per cent higher than the schedules which are now being discussed. If that is true the republicans will have more to answer for than was at first supposed.